GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:310
ANSWERED ON:22.02.2001
CARTEL OF CEMENT MANUFACTURERS
AJAY CHAKRABORTY;IQBAL AHMED SARADGI;Y.S. VIVEKANANDA REDDY

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Monopolies and Restrictive Trade Practices Commission (MRTPC) has investigated into the alleged formation of a Cartel of Cement Manufacturers in the country and raising prices by cutting production and supplies;

(b) if so, the details thereof; and

(c) the action taken by the Government to check price rise of cement?

Answer

MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS AND SHIPPING (SHRI ARUN JAITLEY)

(a) & (b) : Yes, Sir. The Monopolies and Restrictive Trade Practices Commission (MRTP Commission), which is a quasi-judicial body, has reported that it has instituted the following three RTP (Restrictive Trade Practices) Enquiries:

i) RTPE No. 83/2000 : This is based ona complaint filed by M/s Gayatri Agencies against Cement Manufacturers Association, Chennai under section 10 (a) (i) of the MRTP Act, 1969 alleging that the members of the Cement Manufacturers Association :

(a) do not give free hand to the applicant in the matter of prices, sale and distribution of cement and impose various restrictions;

(b) quote same prices in response to tenders called for by various Government Departments;

(c) restrict the dealers to sell cement at prices specified by them; and

(d) sell cement at different prices to different parties.

The matter was investigated by the Director General of Investigation and Registration who has submitted hisPreliminary Investigation Report in January, 2001. The Commission has ordered issuance of Notice/Interim application of injunction under section 12-A of the Act. The matter is sub-judice and is listed for hearing before the Commission on 28.2.20001.

ii) RTPE No. 174/2000 : This is based on a complaint receivedfrom the Office of the Chief Commissioner of Customs and Central Excise, Hyderabad against certain leading cement manufacturers alleging that they have formed a cartel thereby creating artificial shortage of cement and pushing up the prices. The Commission has ordered issuance of Notice of Enquiry against ACC Ltd., Gujarat Ambuja Ltd., Larsen & Toubro Ltd., India Cements Ltd. and Grasim Cements Ltd. The matter is sub-judice and is listed for 15.3.2001.

iii) RTPE No. 21/2001: This is based on a complaint filed byShri Sarabjit S. Mokha & Anotheragainst the Cement Manufacturers Association and 10 other manufacturers under section 10 (a) (i)/36-B(a) of the MRTP Act, 1969 alleging that these manufacturers have formed a cartel and have increased the prices. The Commission has ordered a Notice of Enquiry to be issued against 11 respondents making it returnable on 8.5.2001. The matter is listed for hearing on 28.2.2001 for consideration of interim application of injunction under section 12-A of the Act.

(c) The Ministry of Commerce & Industry, Department of Industrial Policy & Promotion have stated that the Government is seized of the situation, that the prices are being monitored and that meetings are being held with cement producers.